Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

The President's Daily Brief

July 24, 1974

5

~~*Top Secret*~~ 25X1

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
declassified only on approval of
the Director of Central Intelligence

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

THE PRESIDENT'S DAILY BRIEF

July 24, 1974

PRINCIPAL DEVELOPMENTS

[redacted] Israeli-Syrian 25X1
[redacted] 25X1

Governmental changes in Athens and Nicosia hold out hope that peace negotiations can begin later this week in Geneva. Despite another UN-negotiated cease-fire on Cyprus last evening, sporadic shooting continued through the night and heavier fighting has resumed this morning as both sides try to improve their positions. UN forces now occupy the Nicosia airport. *(Page 2)*

Egyptian President Sadat took a relatively conciliatory line toward the USSR in his Revolution Day speech yesterday. *(Page 4)*

Bangladesh, by its own admission, is on the brink of economic collapse. The situation coincides with growing popular disenchantment with the government of Prime Minister Mujibur Rahman. *(Page 5)*

North Vietnam appears to be sending relatively few troops south, although it is training large numbers for future infiltration into South Vietnam. *(Page 6)*

Portuguese Foreign Minister Soares has told Ambassador Scott that members of the new cabinet share the priority aim of establishing a democratic society along Western lines. *(Page 7)*

Lisbon's decision to turn over administrative control of Angola to the military was prompted by recent rioting in the territory's capital. *(Page 8)*

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

25X1

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

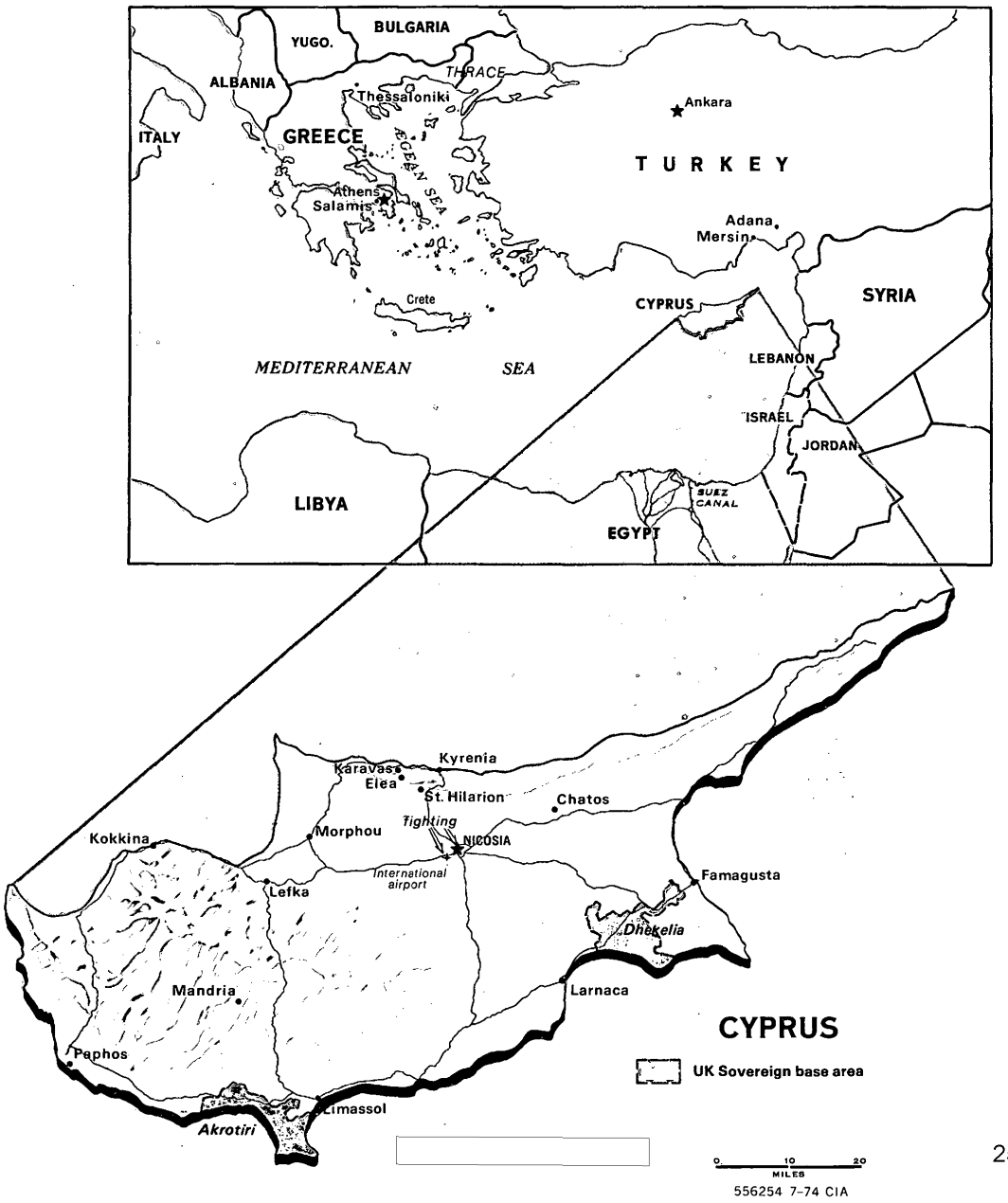
ISRAEL-SYRIA

25X1

FOR THE PRESIDENT ONLY

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8



25X1

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

CYPRUS

Former Greek prime minister Constantine Karamanlis returned to Athens last night, reportedly assured that he would have a free hand in forming a civilian government. He is expected to form a cabinet of rightist and centrist politicians. Karamanlis also is said to have the agreement of military leaders to stay out of politics. President Gizikis, however, apparently will stay in office, despite his military background.

Karamanlis has provided few clues to his policy toward Turkey and Cyprus. He is under popular pressure to take some military action, at least to send reinforcements to Cyprus, if the Turkish forces there do not strictly observe the cease-fire.

The announcement of the power shift in Athens followed by only a few hours word that Glafkos Clerides, president of the Cypriot House of Deputies and the constitutional successor to Makarios, had replaced Nicos Sampson as president. Considered a moderate on the sensitive issue of union with Greece, one of Clerides' first acts yesterday was to meet with Turkish Cypriot leader Denktash to seek ways of enforcing the cease-fire.

In New York, Archbishop Makarios said Clerides took over "with my agreement." Makarios added that he expected to return home in a few weeks to resume his duties as president. There is no indication that Clerides sees himself as an interim president.

The governmental changes hold out hope that negotiations can begin later this week in Geneva. Both new governments, however, are threatened by cease-fire violations attributed to Turkish forces. Greek military leaders threaten war against Turkey if violations continue, and demand that the Turks return to the original cease-fire lines.

Despite another UN-negotiated cease-fire last evening, sporadic exchanges of small arms fire occurred through the night. Reports of resumed

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

fighting early this morning indicated that the Turks are continuing to push out from their positions in Nicosia. The major fighting yesterday involved Turkish attacks in Nicosia and Kyrenia; Greek Cypriots, meanwhile, continued successful attacks against Turkish Cypriot enclaves. Both sides appear to be trying to improve positions or gain ground in areas wherever they can.

UN forces now occupy the Nicosia airport. Its Greek defenders have been escorted back to Nicosia, and the Turks hold positions just north of the airport. The Turks maintain that they do not recognize the UN protection of the airport and threaten further attacks. The fighting in Kyrenia yesterday temporarily delayed evacuation of foreign nationals from the north coast, but nearly all are gone now.

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

EGYPT-USSR

President Sadat adopted a relatively conciliatory position toward the USSR yesterday in his Revolution Day speech. Sadat, developing a line he has used in public since the Soviet postponement of Foreign Minister Fahmi's visit to Moscow, expressed puzzlement over the Soviet attitude toward Cairo's better relations with the US. He professed confidence that misunderstandings would be cleared up and made a concession to Soviet sensitivities by asserting that Middle East peace efforts will not be confined to one big power.

Sadat's decision to swallow the Soviet rebuff did not come easily, but he presumably feels that no practical alternate source of military equipment and spare parts for his Soviet equipment exists. He also needs the relationship with Moscow to offset closer ties with the US in the eyes of some of the other Arabs.

It is now clear that postponement of Fahmi's visit was a deliberate Soviet rebuff. A subsequent series of Soviet actions appears to be a deliberate effort to put a chill into relations with Cairo.

The Soviets may well be seeking some indication from Sadat that he intends to moderate his swing toward the US. Moscow, for example, might be seeking the removal of Fahmi. It may also hope to convince Sadat that he should drop his own reluctance to visit Moscow.

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

BANGLADESH

Bangladesh, by its own admission, is on the brink of economic collapse. Foreign exchange reserves are so low that exporters will not accept letters of credit on the state-owned Bangladesh bank unless they are backed by a foreign bank. Dacca has been unable to pay for some purchases and has canceled over 100,000 tons of food-grain imports.

Dacca has asked for emergency assistance from previous aid donors and international agencies. It wants cash and commodities, including food grains over and above amounts already scheduled, and would like to convert project aid into commodity aid. Around $700 million of aid extended by the US and other donors is available, but most is tied to specific projects and cannot be used for commodity imports.

The economic crisis coincides with growing popular disenchantment with the government of Prime Minister Mujibur Rahman. His well-publicized efforts to have the army prevent lawlessness and root out corruption have had limited success. The removal of a few inefficient and corrupt members from his government has been generally viewed as cosmetic treatment where surgery was needed.

Mujib, nonetheless, remains the only politician in Bangladesh with a nationwide following. Only the armed forces appear capable of threatening his hold on government [redacted] 25X1

25X1

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

VIETNAM

North Vietnam appears to be sending relatively few troops south, although it is training large numbers for future infiltration. Intercepted messages indicate that three new infiltration groups--the first detected near the top of the pipeline since late May--passed through southern North Vietnam this week. Two groups are destined for South Vietnam's northern provinces, and the other probably will reinforce logistic units along the infiltration system.

Since June 1, some 23 battalions, with about 550 men each, have been noted undergoing pre-infiltration training in North Vietnam. The actual number of units engaged in such training is almost certainly higher than the number detected.

Some battalions appear to be in advanced stages of training. Many, however, have only recently begun and probably will not come south until next fall. It is not possible at this time to tell whether these troops will augment forces in the south or replace losses and fill rotational billets.

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

PORTUGAL

Portuguese Foreign Minister Soares has told Ambassador Scott that members of the new cabinet share the priority aim of establishing a democratic society along Western lines. Soares, head of the Socialist Party, stressed that the most important result of the cabinet reorganization was the ouster of Pereira de Moura, leader of the People's Democratic Movement, which Soares described as a Communist front.

According to Soares, the eight military officers in the 17-member cabinet are "liberals" without party affiliation. He called Prime Minister Goncalves an expert political theoretician.

The foreign minister suggested that the new cabinet would be able to speak with one voice, even when it comes to producing controversial economic and labor legislation. This is where the previous cabinet faltered. The coming weeks will show whether or not Soares' optimism is warranted; at present reading, the difficulties facing the government are not likely to be overcome quickly or easily.

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

NOTE

Angola: Lisbon's decision to turn over administrative control of Angola to the military was prompted by recent disturbances, including race riots in the territory's capital. Local authorities eventually put down the rioting, but not before some 40 persons had been killed. Lisbon's action does not mean that the Portuguese government is any less committed to eventual self-determination for Angola.

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8

Top Secret

Declassified in Part - Sanitized Copy Approved for Release 2016/07/15 : CIA-RDP79T00936A012200010021-8